

Sensys Gatso Group AB

CEO Presentation

Annual General Meeting 2022

Jönköping, May 12th 2022

An aerial photograph of a multi-lane highway. Several cars are visible on the road, including a red car, a white car, and a large green truck. The road is flanked by lush green trees and vegetation. The overall scene is a top-down view of a busy roadway.

AGENDA

- » **Sensys Gatso Group at a glance**
- » **Business update & 2021 Highlights**
- » **Outlook**
- » **Q&A**

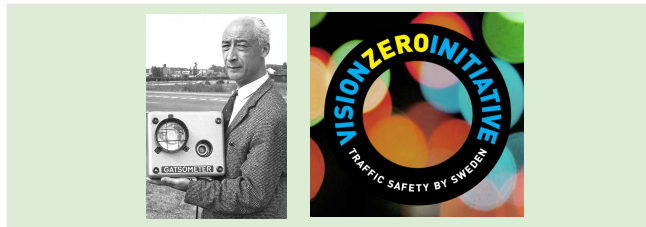
SNAPSHOT | The leading global player in Traffic Enforcement

Sensys
Gatso
Group

At a glance

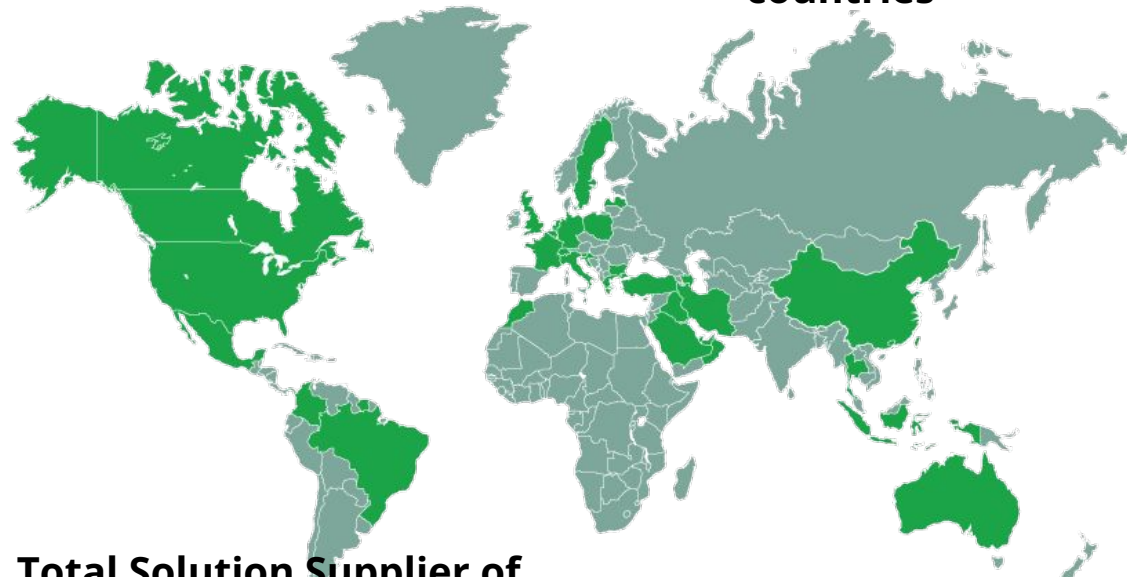
- **The Netherlands | Gatso** - **The world's first speed enforcement camera 1964**, the first red-light enforcement camera 1966 and the first mobile radar speed control 1980.
- **Sweden | Sensys** - Instrumental in making the Swedish concept of **Vision Zero** a huge success as of 1997

Sensys merged with Gatso in 2015.



50,000 systems in more than 70 countries

263 employees in 7 countries



Total Solution Supplier of systems - software, hardware and services.

MSEK	2021	2020	2019	2018	2017
Net Sales	507	455	406	380	293
EBITDA	84	59	29	38	-16

COMMITTED TEAM

Management & Board of Directors with global track-record

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Gatso
Group

At a glance

Group Management



Ivo Mönnink, CEO

CEO of Hitec Power Protection, Ferm powertools and Besin International (now Smurfit Kappa Hexacomb). Commercial roles with Nike and Unilever. 1,417,615 shares. 11,500,000 options



Simon Mulder, CFO

Registered Auditor, Senior Manager at BDO
120,000 shares
2,750,000 options



Joris Lampe CCO

Background from Lucent Technologies, Nedap, Itron
25,000 shares
2,750,000 options



Pär Degerman CTO

Background from Scania and Einride. Started with SGG in February 2021
52,555 shares
2,750,000 options

Extended Management Team



**Jörgen Andersson
SG Sweden**
1,375,000 options



**Niki Gatsonides
SG Netherlands**
167'000'000 shares
(family holding)



**Enzo Dri
SG Australia**
1,375,000 options



**Bill Braden
SG USA**
1,375,000 options



**Saman Naziri
SG Middle East**
1,375,000 options



**Edmar van der Weijden
SG Managed Services**



**Claes Ödman
Chairman**

COO and member of Group management of Swiss listed company Ascom.
521,818 shares



Pia Hofstedt

CIO Quant AB.
350,008 shares.



Kerstin Sjöstrand

Head of Customer Services at SEB's Division Life.
164,162 shares.



Jochem Garritsen

Senior Business Manager at Nokia.
110,142 shares.



Christina Hallin

Former Vice President Market China of Volvo Trucks. Board member of Alimak Group AB (publ).
52,500 shares.



Francis Schmeer

Chief Sales and Marketing Officer, Ascom, Switzerland, EVP, OC Oerlikon, Switzerland VP, Sony Ericsson, UK/Sweden
230'000 shares

+ 150
years

Industry
Experience &
Knowledge

+ 125
years

International Business
Experience &
Knowledge

Consolidated Income Statement

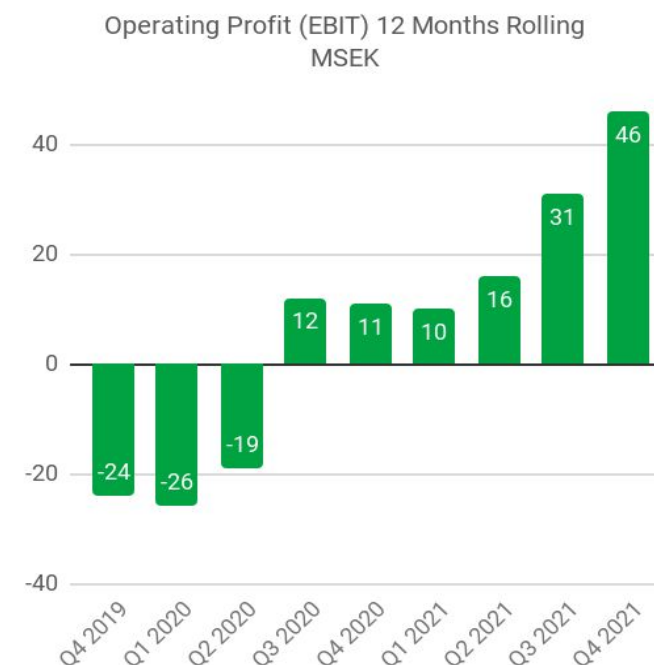
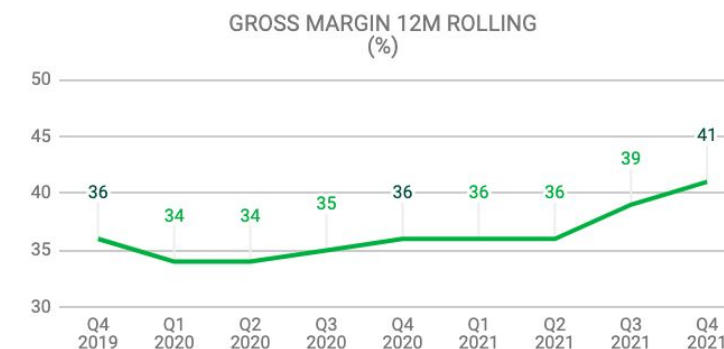
	FY	FY
MSEK	2021	2020
Net sales	507	455
Cost of goods sold	-301	-293
Gross profit	206	162
	41%	36%
Expenses	-160	-151
Operating profit (EBIT)	46	11
	9%	2%
Net financial items	1	-8
Profit before tax	47	2
Tax	-12	1
Profit for the period	35	4

Net Sales
+11%

**Gross
Margin**
41%

EBIT
+318%

**Profit
MSEK**
+31



Business Model

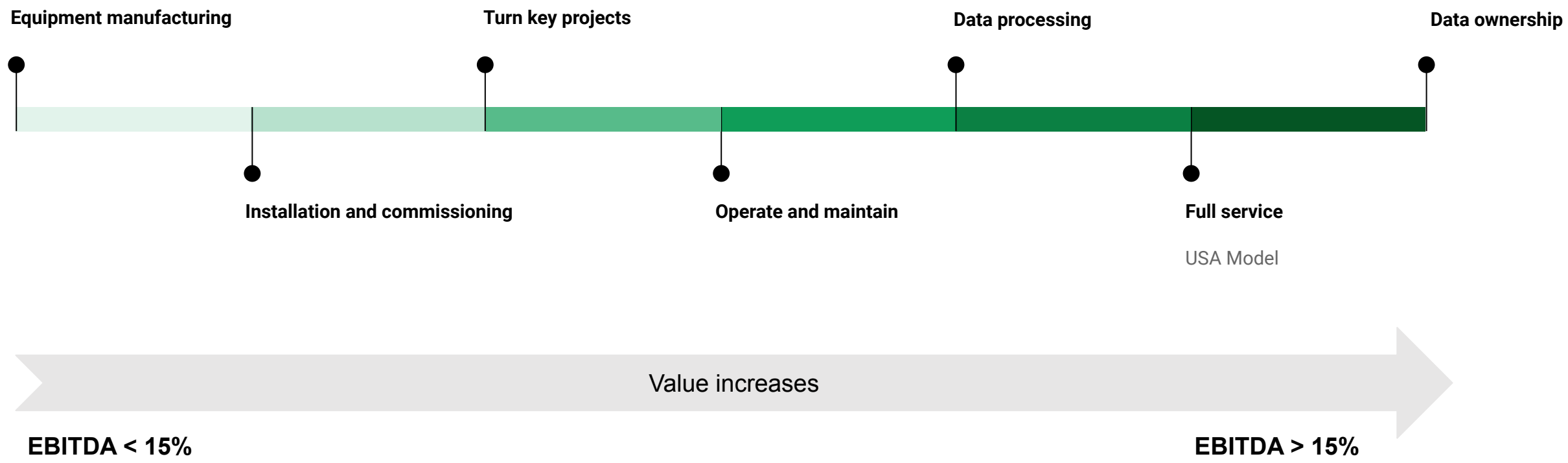
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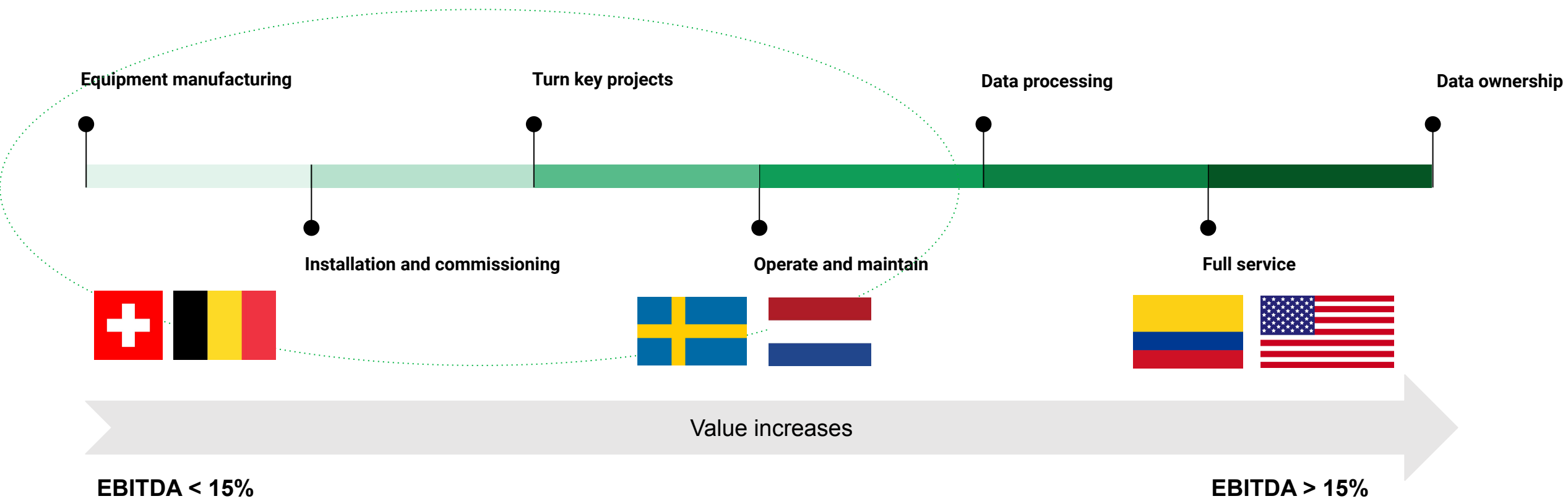
Flexible and scalable software



Business Model



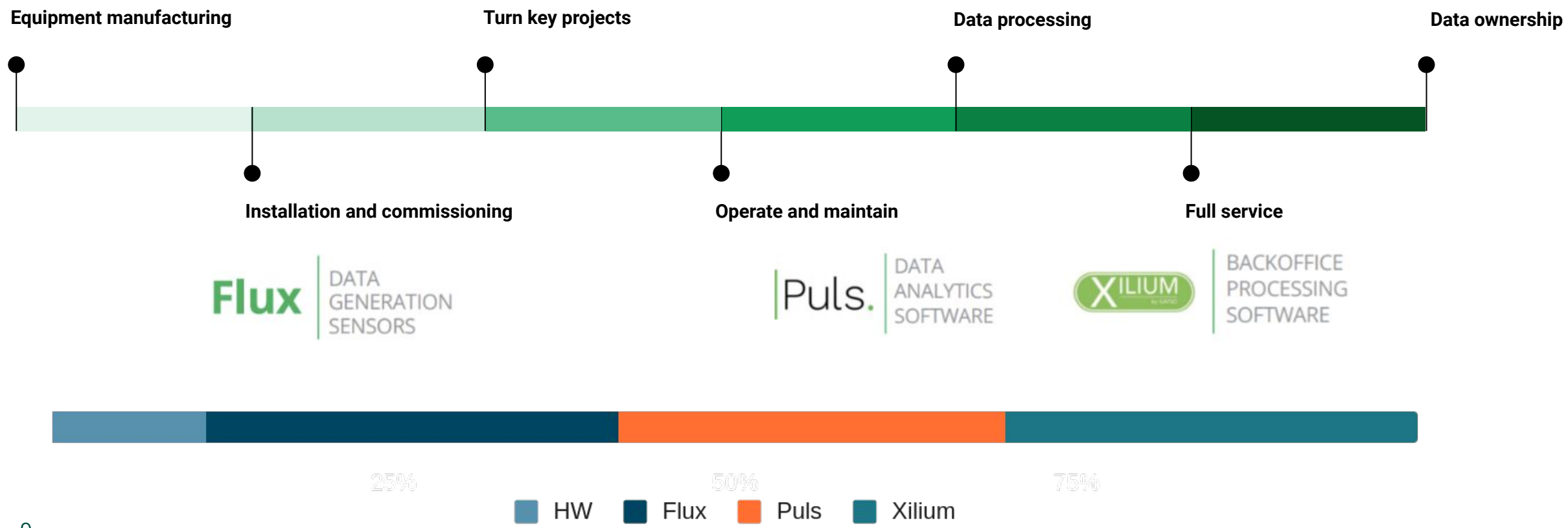
Flexible and scalable software



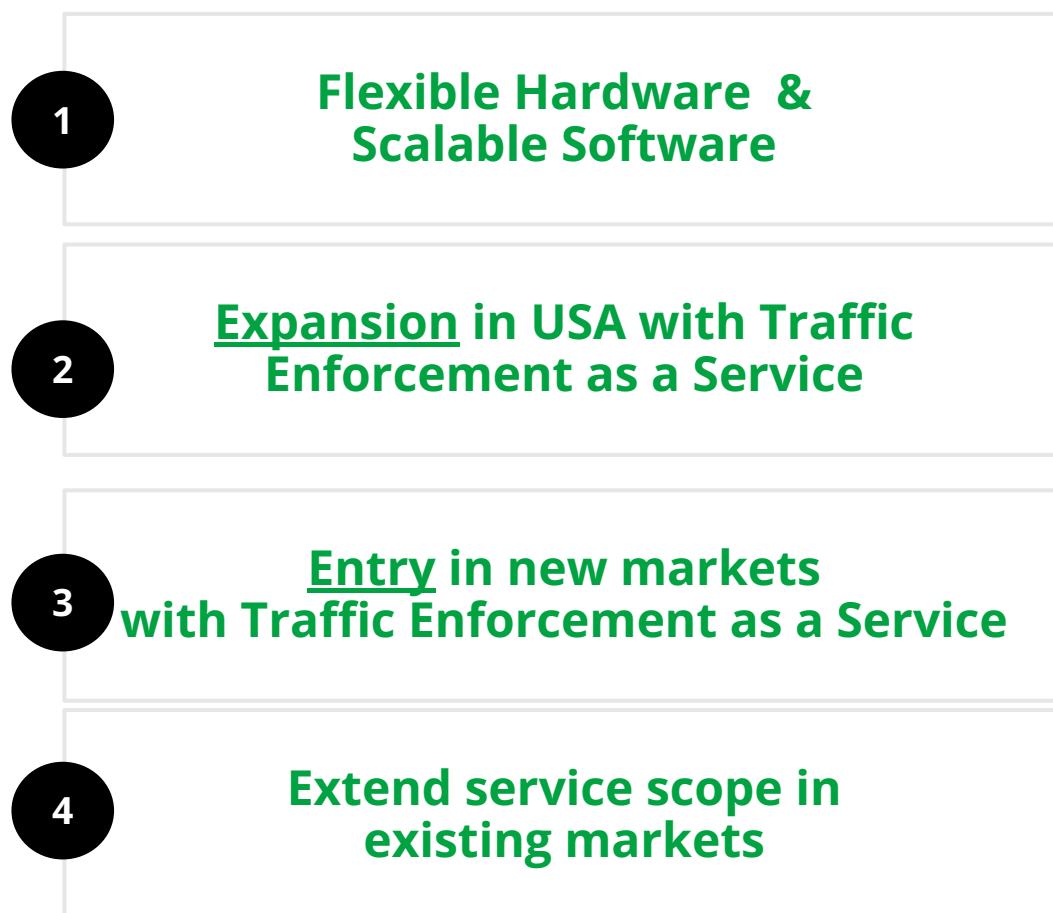
Flexible and scalable software



Business Model



4 Focused strategies



2025 Ambition

- Sales > SEK 1BN
- of which MSEK 600 TRaaS
- EBITDA > 15%

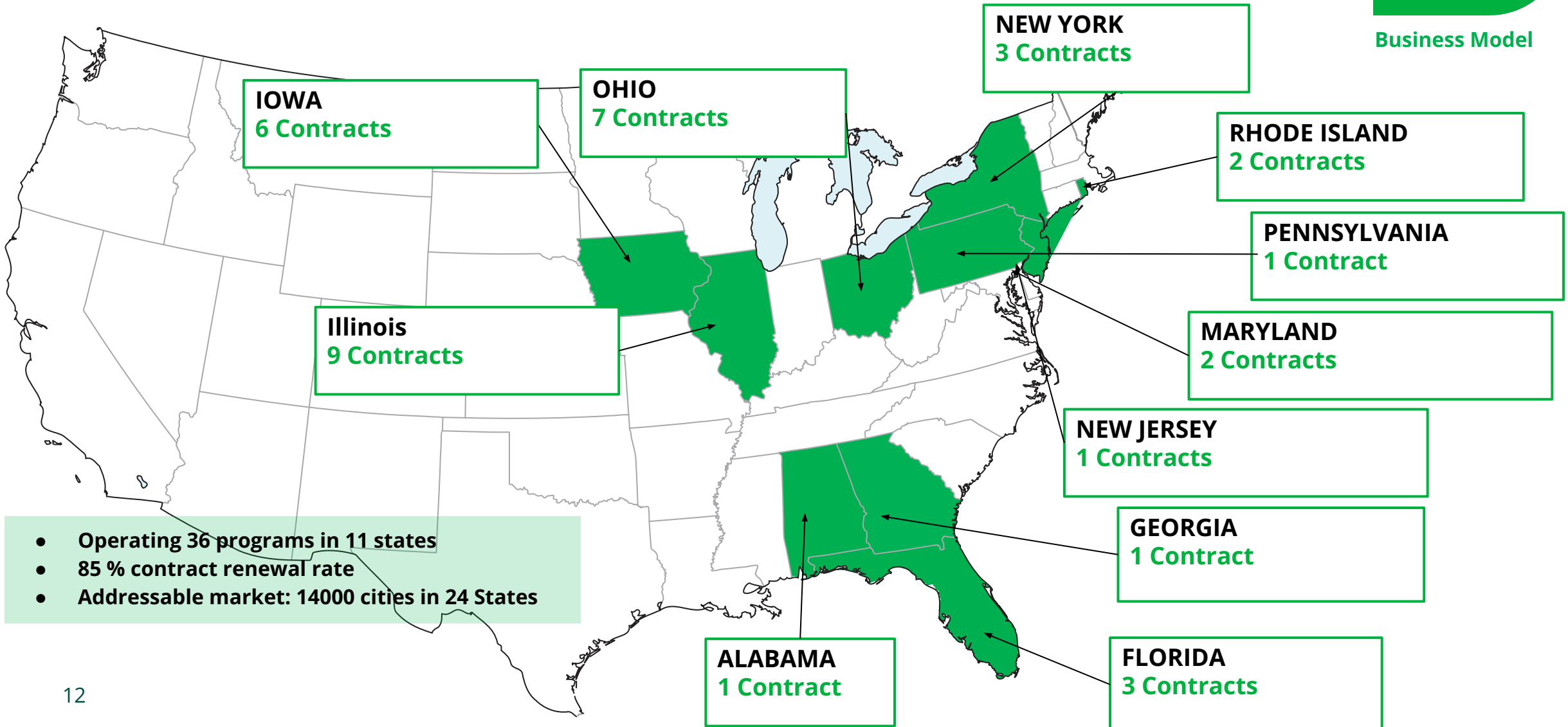
Executing our strategy

MSEK	2021	2020	2019	2018	2017
Net Sales	507	455	406	380	293
EBITDA	84	59	29	38	-16
EBITDA%	17	13	7	10	

Flexible hardware and scalable Software solutions

**Flux**DATA
GENERATION
SENSORS**Puls.**DATA
ANALYTICS
SOFTWARE**XILIUM**
by GATSOBACKOFFICE
PROCESSING
SOFTWARE

Expansion in USA with TRaaS

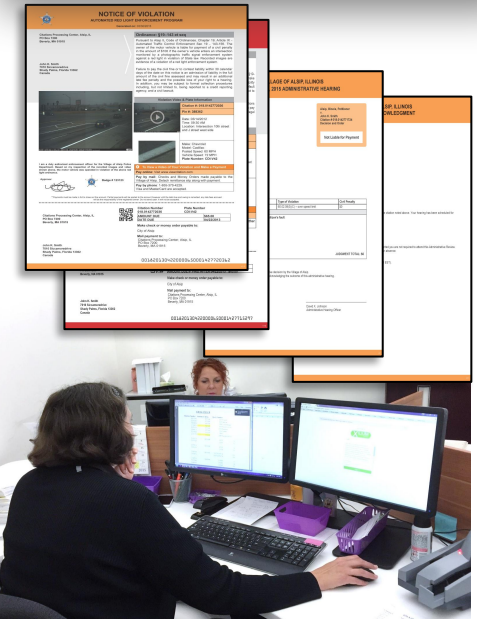
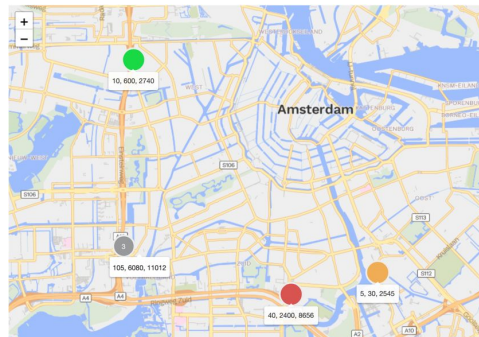
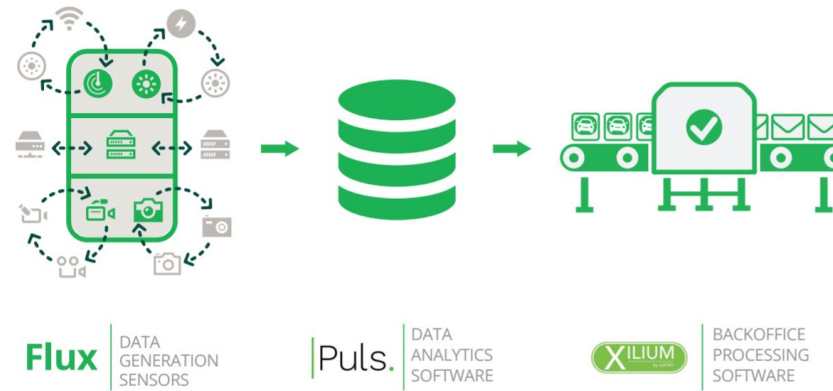


Focused Strategies

Full service offering in action

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Business Model



- Three new cities in 2021
- Additional three in 2022 to date
- New Business Plan in place to accelerate growth

Entry in new markets with TRaaS



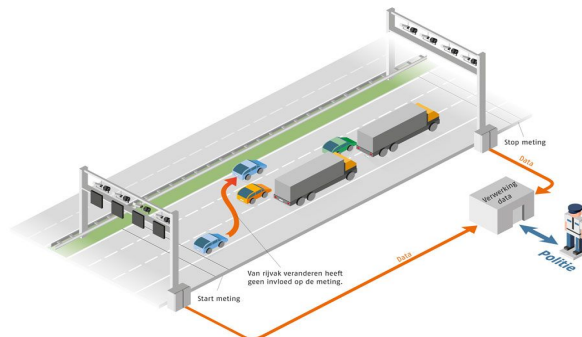
Offices of Sensys Gatso Colombia in Barranquilla

- Sensys Gatso **Colombia**
Joint Venture with Capatest SAS
- Full TRaaS business model
- long contract terms (20-30 yrs)
- 2 operational contracts in place with remaining contract period of 17 years
- Opportunities to further expand with TRaaS model in Costa Rica, Malaysia, ...

Extend service scope in existing markets



- Service, calibrations, support for Saudi in-vehicle program (#1200 ViM) and fixed systems in UAE (#1000)
- New solutions - *being tested*
- Tender for Point-to-Point in Netherlands (EG36) - **won**
- Tender for Speed & Red light in Netherlands (EG37) - **won**
- Tender for TrV in 2022 - *under submission*



Business Update - 2021 Highlights

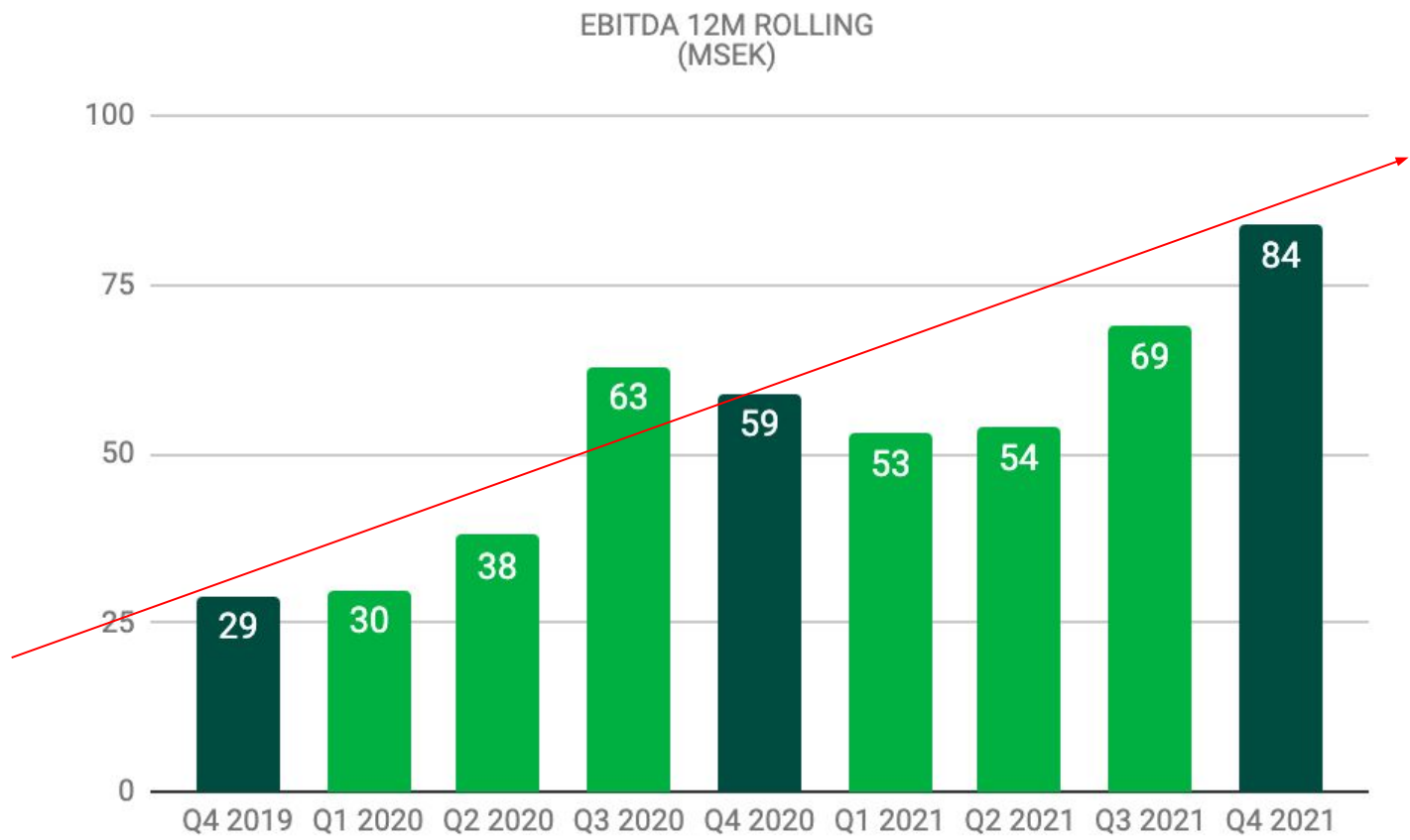
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Continued strong profitable growth, 17% EBITDA margin



2021 Highlights



- Full Year EBITDA MSEK 84, up 41%
- Mostly driven by (US) TRaaS
- Higher Gross margin on TRaaS resulted in 41% overall margin
- Full Year EBIT MSEK 46, four times higher than last year (11)

Proven TRaaS business model pushes growth



- Full year Total Sales MSEK 507, up 11%
- **Full year TRaaS MSEK 248, up 14% and 49% of Net Sales in 2021**
- Three new TRaaS contracts added in USA (plus three in 2022)
- School Zone speed enforcement programs restarted after COVID temporary closings

75% of Saudi contract delivered



- MSEK 275 Saudi Contract in steady delivery mode;
 - TD 2021 55% delivered
 - TD 2022 75% delivered
 - Remaining MSEK 69 expected in 2022
- End-customer drives delivery requirements
- Testing new solutions
- Office in Riyadh

Momentum in LATAM



- Sensys Gatso Colombia established through Joint Venture Sensys Gatso and Gatso Capatest
- Costa Rica contract not started due to budget constraints
- Costa Rica deployment shifted to introduction with municipalities
- First contract from new market Ecuador
- Regional Director in place

Investigation in The Netherlands legally dismissed



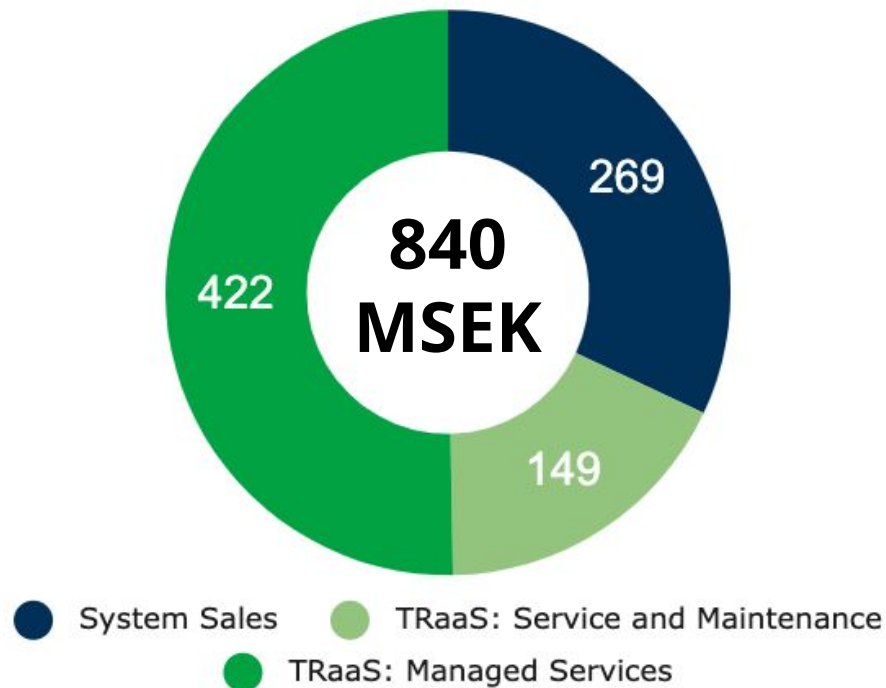
- Related to allegations in 2014-2015 in Gatsometer Netherlands
- Full transparency and cooperation with FIOD
- Allegations dismissed and no prosecution
- Full refund of our legal expenses
- Positive, fast and rare outcome
- Integrity prevails

Stable Supply chain costs expected throughout 2022



- Typically Long lead times for sales, delivery and operations
- Critical components secured for 2022 deliveries
- Price agreements with suppliers to secure 2022 Sales and margins
- System Assembly in Europe
- No Business in Ukraine or Russia
- Our expectations today for 2022;
 - No delivery issues
 - Supply chain costs to remain stable

Solid Order Backlog of MSEK 840



- Full year order Intake MSEK 368 (788)
- Solid Q4 2021 MSEK 840 Order Backlog;
 - 32% System Sales → 22/23 deliveries
 - 68% TRaaS → deliveries over remaining contract period

MSEK 110 million invested in 2021 for future growth



Investments for future growth;

- MSEK 23 in Fixed Assets to support TRaaS USA
- MSEK 17 in Software core development
- MSEK 70 M in Net Working Capital



Business Update - USA Business Plan

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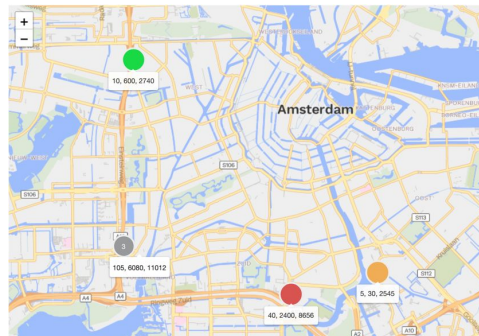
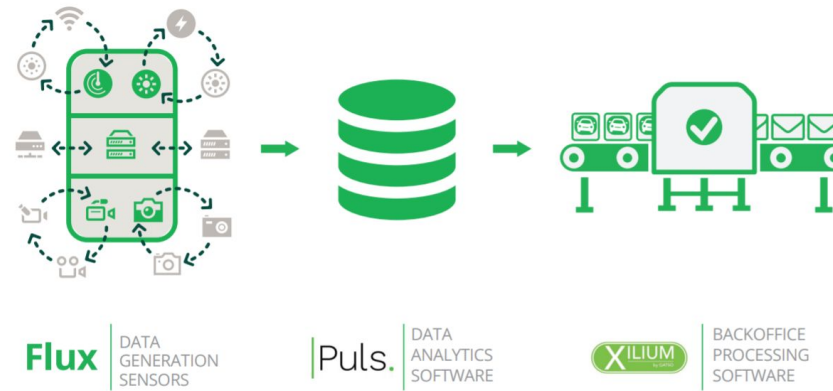


Focused Strategies

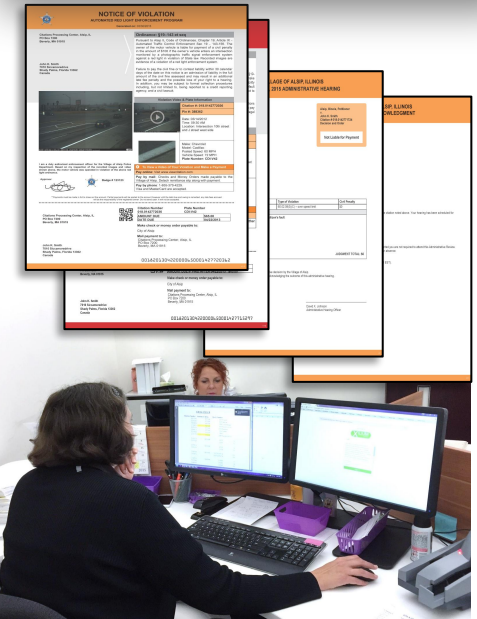
Full service offering in action

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USA Business Plan



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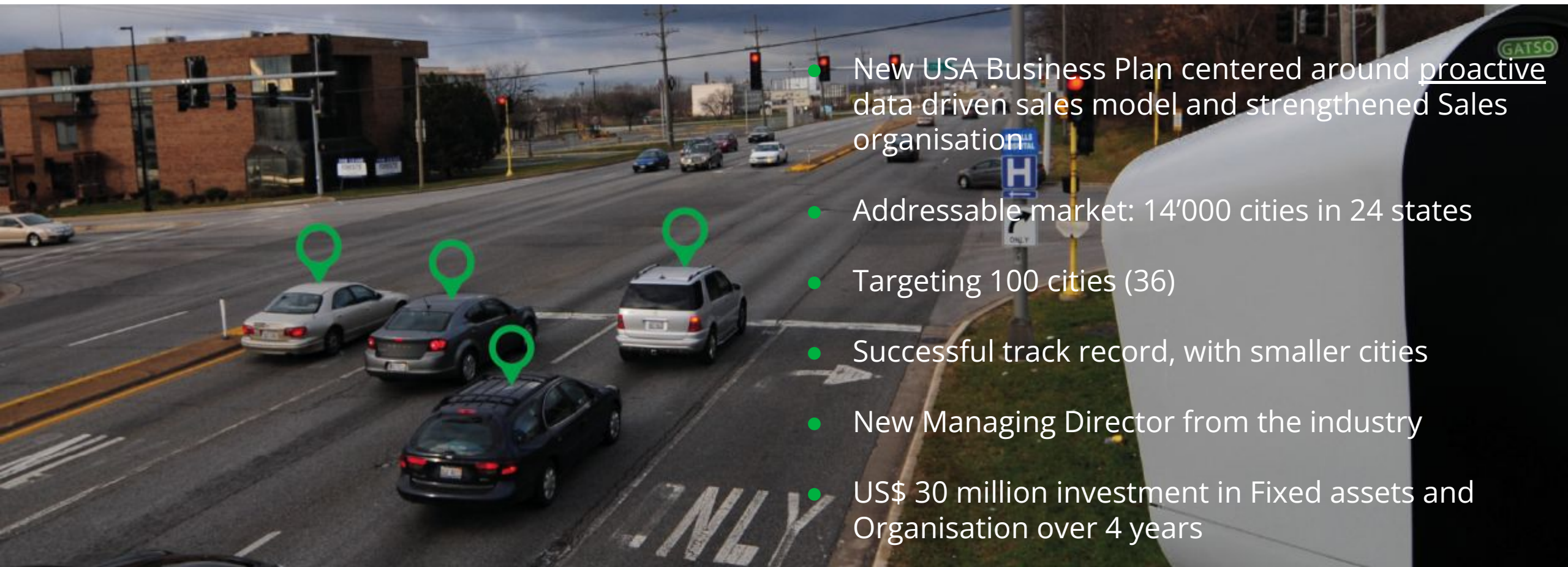


Software and data enable further US growth



- 270 cameras across 12 states
- Generating 540 million data points in three years
- Data analytics help to:
 - Optimize camera locations
 - Enrich information with other data sources
 - Generate predictive analyses for future clients
- USA Business Plan centered around proactive data driven sales model

Road to success in USA



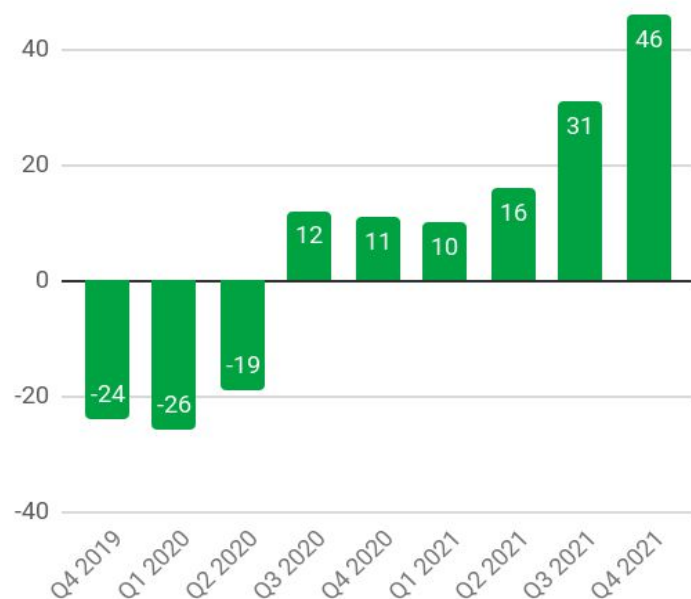
- New USA Business Plan centered around proactive data-driven sales model and strengthened Sales organisation
- Addressable market: 14'000 cities in 24 states
- Targeting 100 cities (36)
- Successful track record, with smaller cities
- New Managing Director from the industry
- US\$ 30 million investment in Fixed assets and Organisation over 4 years

Outlook

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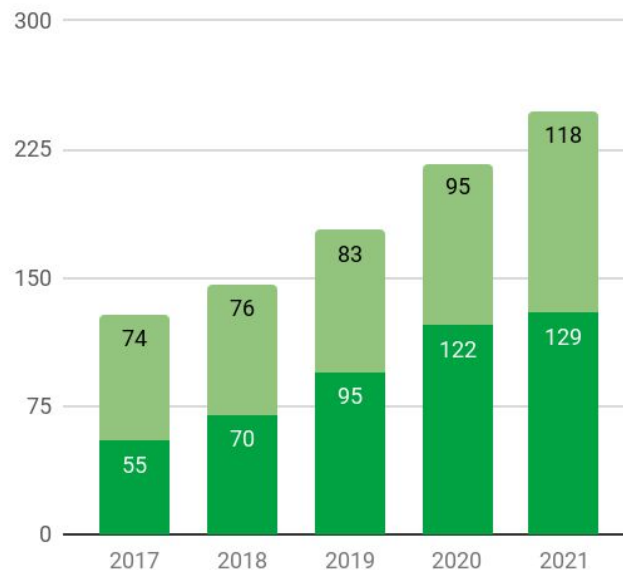


Operating Profit (EBIT) 12 Months Rolling
MSEK



Improving profitability

TRaaS Sales
MSEK



TRaaS momentum

2025 Goals

- Sales > SEK 1BN
- of which MSEK 600 TRaaS
- EBITDA > 15%

**On track with
long term goals**

The logo consists of a green rounded rectangle containing the text "Sensys Gatso Group" in white. The text is stacked vertically, with "Sensys" on the top line, "Gatso" on the middle line, and "Group" on the bottom line.

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Making traffic safer®